

**Standard 1: Overview of the Applicant**

1. Please provide the By-laws on behalf of the Applicant and Sport BLX Inc (the "Parent"). The By-laws should represent who is responsible for the day-to-day management of the Applicant/Parent.
2. The Applicant's application represents shareholders indirectly collectively own 100% of the Applicant. Staff requests confirmation via attestation that some sort of due diligence (AML/CIP review) has been conducted on these shareholders to verify that said person/entity is not on any OFAC list or is a disqualified individual. Please provide a list of the individuals/entity's (including their percentage interests) that indirectly own the Applicant. Furthermore, please provide attestations pertaining to the due diligence performed on such persons/entities including:
  - a. The Applicant has obtained the requisite investment representations and conducted such diligence as the Applicant deemed reasonable and appropriate. That diligence includes customary investment and regulatory representations in subscription and governing documents, as well as personal relationships, and reference and background checks where reasonable and appropriate.
  - b. The Applicant has no reason to believe, after conducting its own diligence, that any of the beneficial owners/shareholders are in violation of any Anti-Money Laundering statute or regulation ("AML"). Further, the Applicant has where appropriate conducted Office of Foreign Assets Control ("OFAC") searches and have no reason to believe, after conducting our own diligence and reviews of available public records that any investor/shareholder in the Applicant has undertaken any trade or financial transactions in which U.S. persons may not engage unless authorized by OFAC unless exempted by statute.
  - c. The Applicant has inquired of the beneficial owners/shareholders as to whether any owner has ever been, or currently is statutorily disqualified pursuant to the applicable securities rules and regulations, and certify and attest that no beneficial owner/shareholder is suspended or barred from the securities industry and/or statutorily disqualified pursuant to the applicable securities rules and regulations.
  - d. The Applicant verifies that there are no voting agreements among the beneficial owners/shareholders at any levels noted in the ownership structure.
3. Coincidentally with the above, please identify the individuals who own the entity's listed in the schedule of Shareholders (i.e. Cypress Holdings III, LP, GlassBridge Enterprises, Inc., etc.) and the Applicant has performed the above due diligence on these individuals.

4. Please provide a revised organization chart of the Applicant which reflects the accurate indirect ownership of the Applicant (including the shareholders interest in the Applicant). The organizational chart provided represents George Hall owns 70% and Joseph De Perio owns 30% indirectly of the Applicant.

**Standard 2: Licenses and registrations**

5. Please provide a management organizational chart, identifying officers, principals, and supervisors of the Applicant and its proposed business activities and/or product lines. The organizational chart should represent which individual is supervising what business line.

**Standard 7: Maintaining adequate net capital**

6. Please provide a bank account statement on behalf of the Applicant. The Applicant provided bank statements on behalf of "Glassbridge Enterprises, Inc." Please advise as to what this entity is. Staff notes this entity is represented in the shareholder cap table provided and is not the account of the Applicant. Please provide evidence that a bank account on behalf of the Applicant has been opened.